

TAB

PRINCIPAL PROVISIONS OF FOREIGN SERVICE RETIREMENT SYSTEM FOSTERING "EARLY RETIREMENT"

Basic Provisions

Minimum service requirement for annuity under either FS or CS is 5 years of civilian service.
Annuity computation: Foreign Service: 2% highest 5-year average salary x years of service.
Civil Service : $1\frac{1}{2}\%$ high-5 for 5 years + $1\frac{3}{4}\%$ for 5 years + 2% for balance.

1. Voluntary Retirement at Lower Age Than Under Civil Service with Larger Annuity and with no Reduction in Annuity for Age.

Foreign Service: Optional retirement at age 50 with 20 years service; standard annuity computation.

Civil Service: Optional retirement at age 55-59 with 30 years service but annuity reduced by 1% for each year under age 60.

Age 60 with 30 years service or age 62 with 5 years service; standard annuity computation.

2. Discontinued Service Retirement Based on Involuntary Separation (Selection Out, for example) at Lower Age than Under Civil Service and with More Liberal Annuity Provision.

Foreign Service:

- a. Classes 1, 2, or 3: Immediate annuity regardless of age; standard annuity computation.
- b. Classes 4, 5, 6, or 7:
 - (1) Immediate separation payment based on 1 month's salary per year of service but not to exceed one year's salary; and
 - (2) Deferred annuity at age 60 based on standard formula and actual years of service.

Civil Service:

Immediate annuity if age 50 and 20 years service or any age with 25 years; annuity reduced 1% for each year under 60 down to age 55 and 2% for each year under 55.

3. Mandatory Retirement at Lower Age Than Under Civil Service and with Higher Annuity Base.

Foreign Service: Career Minister or Career Ambassador at age 65; all others at age 60; standard annuity computation; annuity cannot exceed 70% of high-5 salary.

Civil Service: Age 70 with 15 years service; standard annuity computation; annuity limited to 80% of high-5 salary but any excess treated as "voluntary contributions" and applied to increase annuity payments.